

ECONOMIC DEVELOPMENT REGION 5: North Central

Covers counties:

Cass, Crow Wing,
Morrison, Todd, and Wadena

2015 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Economic Development Region 5 – North Central includes a total of 5 counties, located in the Northwest Minnesota planning region. Region 5 was home to 162,655 people in 2014, comprising 3.0 percent of the state's total population. The region saw a 6.9 percent population increase since 2000, making it the seventh fastest growing of the 13 economic development regions (EDRs) in the state, and it is the eighth largest in total population. In comparison, the state of Minnesota saw a 10.9 percent gain from 2000 to 2014 (see Table 1).

	2000 Population	2014 Estimates	2000-2014 Change	
			Number	Percent
Region 5	152,100	162,655	+10,555	+6.9%
Cass Co.	27,150	28,559	+1,409	+5.2%
Crow Wing Co.	55,099	63,265	+8,166	+14.8%
Morrison Co.	31,712	32,810	+1,098	+3.5%
Todd Co.	24,426	24,264	-162	-0.7%
Wadena Co.	13,713	13,757	+44	+0.3%
Minnesota	4,919,479	5,457,173	+537,694	+10.9%

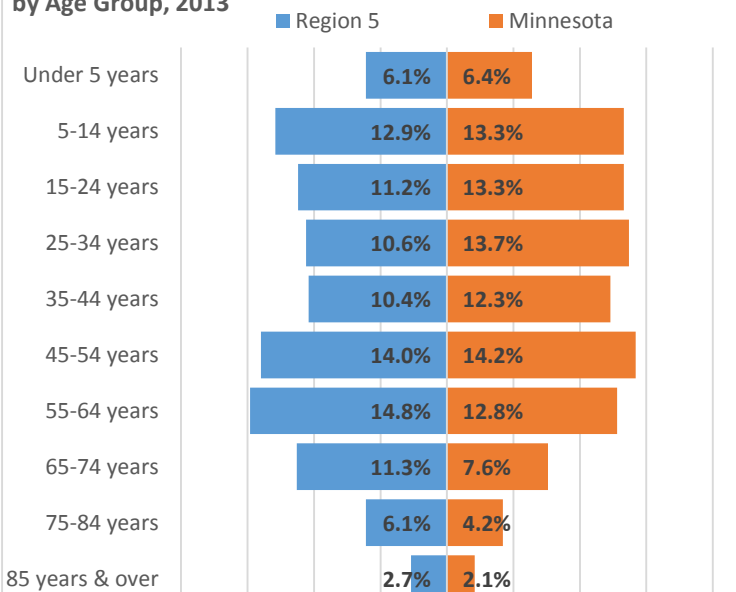
Source: [U.S. Census Bureau, Population Estimates](#)

Four of the 5 counties in the region saw population gains since 2000, led by Crow Wing County, which welcomed over 8,000 people and is easily the largest county in the region. Cass County gained about 1,400 residents from 2000 to 2014, while Morrison County added about 1,100 people. Wadena was the smallest county in the region, and saw the smallest population gain. In contrast, Todd County saw a small decline.

POPULATION BY AGE GROUP, 2000-2013

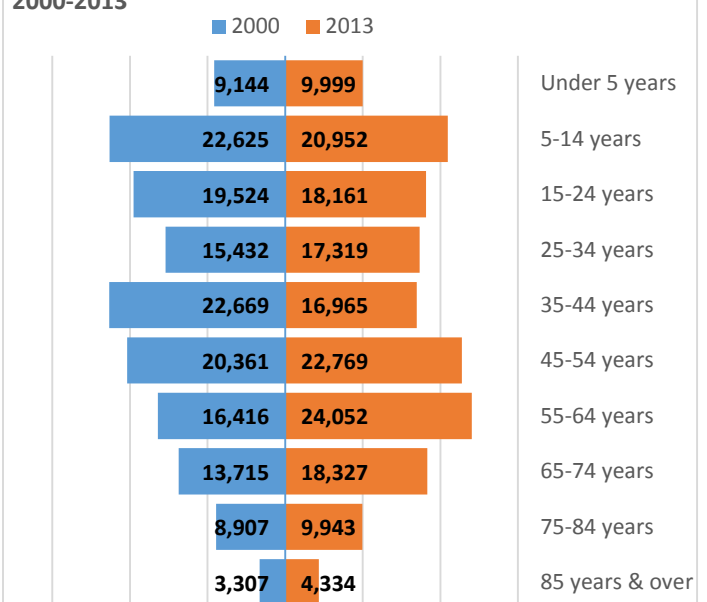
Region 5's population is significantly older than the state's, with 20.1 percent of the population aged 65 years and over in 2013, compared to 13.9 percent statewide. Region 5 also had a higher percentage of people in the 45 to 64 year old age group, with 28.8 percent of the population in the Baby Boom generation – people born between 1946 and 1964, which is creating a significant shift in the population over time. In contrast, Region 5 had a much smaller percentage of people in the 25 to 54 year old age group, typically considered the “prime working years.” While the number of younger residents was declining, the number of residents aged 45 years and over was rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013



Source: U.S. Census Bureau, American Community Survey

Figure 2. Region 5 Population Pyramid, 2000-2013



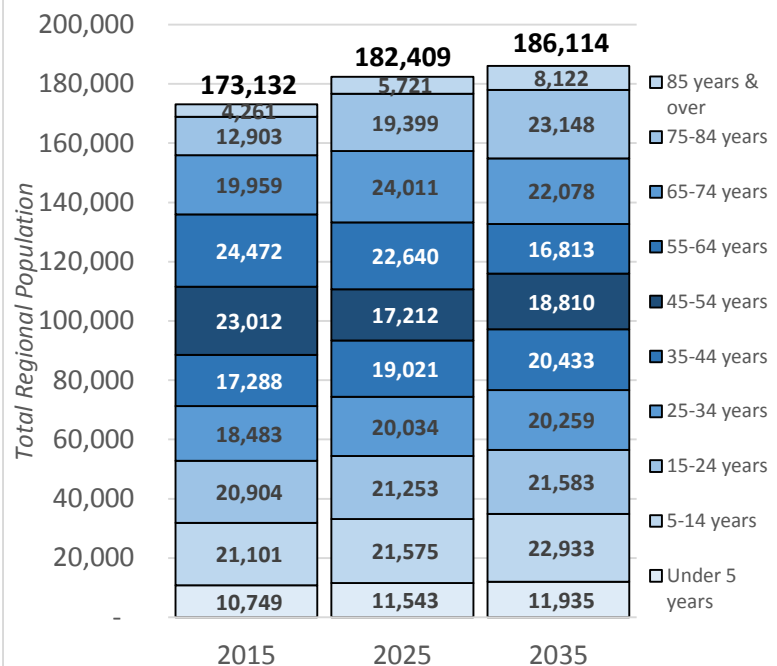
Source: U.S. Census Bureau, American Community Survey

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Region 5 is projected to enjoy continued population growth in the next 20 years as well. According to population projections from the [Minnesota State Demographic Center](#), Region 5 is expected to gain about 13,000 net new residents from 2015 to 2035, a 7.5 percent increase (see Figure 3). In comparison, the state of Minnesota is projected to grow 10.8 percent.

However, much of this population growth is expected to be in the older age groups. Region 5 is projected to add 16,225 people aged 65 years and over, a 43.7 percent increase. The region is also expected to gain about 5,000 people in the 25- to 44-year-old age group, as well as a corresponding increase of about 3,000 more school-aged children. In contrast, Region 5 is expected to lose almost 12,000 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

Figure 3. Region 5 Population Projections by Age Group, 2015-2035



Source: Minnesota State Demographic Center

POPULATION BY RACE, 2013

Region 5's population is less diverse than the state's, but is becoming more diverse over time. In 2013, 94.6 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. Only 0.5 percent of the region's residents were Black or African American, Asian or Other Pacific Islanders, and people of Some Other Race, while 1.4 percent reported Two or More Races. However, at 2.5 percent, Region 5 had a slightly higher percentage of American Indian and Alaska Natives than the state, and 1.9 percent of people reported Hispanic or Latino origin (see Table 2).

The region saw a slow but steady increase in the number of White residents and American Indian and Alaska natives, then saw much faster gains in every race group. The number of Black or African American residents, Some Other Race, and people of Hispanic or Latino origin all doubled in the region from 2000 to 2013.

Table 2. Race and Hispanic Origin, 2013	Region 5			Minnesota	
	Number	Percent	Change from 2000-2013	Percent	Change from 2000-2013
Total	162,814	100.0%	+7.0%	100.0%	+8.7%
White	154,100	94.6%	+5.7%	85.6%	+4.0%
Black or African American	843	0.5%	+134.2%	5.2%	+63.0%
American Indian & Alaska Native	4,072	2.5%	+6.2%	1.1%	+4.6%
Asian & Other Pac. Islander	777	0.5%	+76.6%	4.2%	+56.9%
Some Other Race	811	0.5%	+97.3%	1.4%	+17.4%
Two or More Races	2,211	1.4%	+72.3%	2.5%	+59.6%
Hispanic or Latino	3,022	1.9%	+116.6%	4.8%	+79.3%

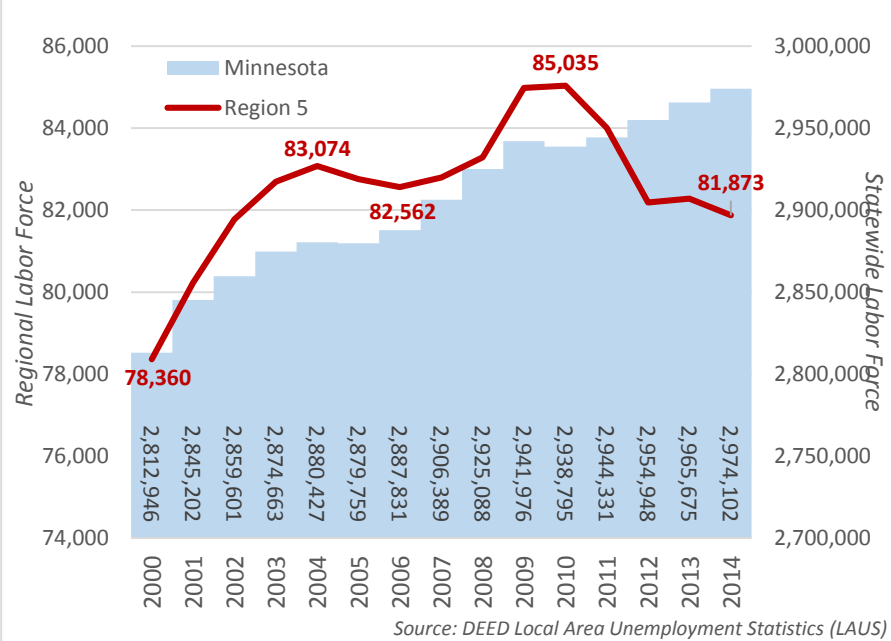
Source: U.S. Census Bureau, American Community Survey

LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's [Local Area Unemployment Statistics](#) program, Region 5 has experienced fluctuations in the size of the available labor force over the last 14 years in response to changing economic conditions. During the recessions in both 2001 and 2007, workers flooded into the labor market to earn extra income; leading to a record number of available workers in the region in 2010. Since then, Region 5 lost about 3,200 workers. Still, the region has over 3,500 more available workers now than in 2000, rising from 78,360 workers in 2000 to 81,873 workers in 2014. The state was also gaining workers over the past decade and a half, but at a steadier pace (see Figure 4). As the economy has recovered, the labor market in the region has been getting tighter, with about 4,830 unemployed workers actively seeking work in 2014.

Figure 4. Annual Labor Force Estimates, 2000-2014



Source: DEED Local Area Unemployment Statistics (LAUS)

LABOR FORCE PROJECTIONS, 2015-2025

Despite the region's projected population growth, applying current labor force participation rates to future population projections by age group, as shown in Figure 3 above, would lead to a drop in workforce numbers in Region 5 over the next decade (see Table 3).

In addition to the overall decline, the labor force will see a significant shift over time, with large gains in the number of workers aged 25 to 44 years and 65 years and over against huge declines in the number of workers aged 45 to 64 years. The region may lose about 6,000 workers in the 45 to 64 year old age group as the Baby Boom generation moves through the population pyramid. The region is still expected to see gains in the number of workers aged 20 to 24 years as well, and the 25 to 54 year old age group will still be the largest part of the labor force, accounting for about 59 percent of the total workforce (see Table 3). This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

Table 3. Region 5 Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Change	
			Numeric	Percent
16 to 19 years	5,376	5,286	-90	-1.7%
20 to 24 years	7,298	7,761	+463	+6.3%
25 to 44 years	31,157	34,017	+2,860	+9.2%
45 to 54 years	19,468	14,561	-4,907	-25.2%
55 to 64 years	15,638	14,467	-1,171	-7.5%
65 to 74 years	3,732	4,490	+758	+20.3%
75 years & over	1,030	1,507	+477	+46.3%
Total Labor Force	83,699	82,089	-1,610	-1.9%

Source: [Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates](#)

EMPLOYMENT CHARACTERISTICS, 2013

With just 62.5 percent of the population aged 16 years and over in the labor force, Region 5 had much lower labor force participation rates than the state's 70.3 percent. The region had lower labor force participation rates than the state in all but the youngest age groups, and the overall rate was also lower because a higher percentage of Region 5's labor force was in older age groups (see Table 4).

Likewise, the region had lower participation rates than the state in all race groups; and also had large unemployment rate disparities for most minority groups, with the exception of Asian or Other Pacific Islanders. Region 5 had about 5,200 veterans and 5,200 workers with disabilities in the labor force. In sum, unemployment rates in the region were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

Table 4. Employment Characteristics, 2013

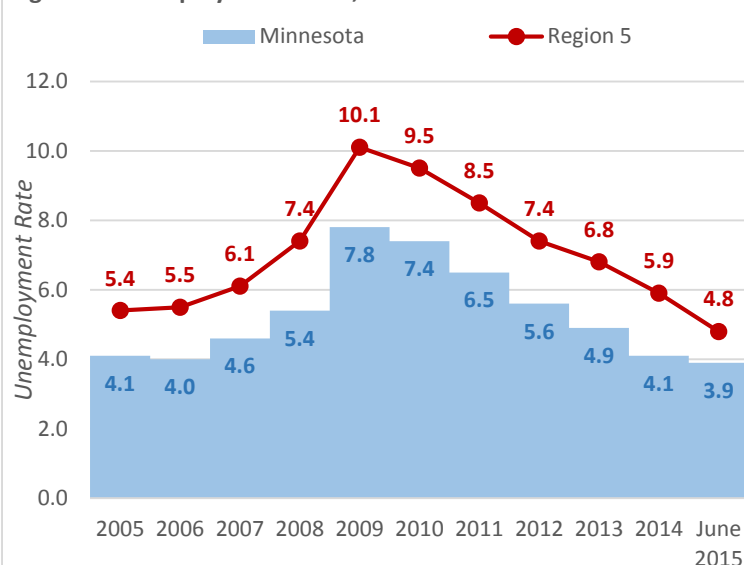
	Region 5			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	80,967	62.5%	8.3%	70.3%	7.1%
16 to 19 years	4,545	55.2%	16.9%	50.9%	20.2%
20 to 24 years	6,869	83.6%	14.9%	81.6%	11.2%
25 to 44 years	30,500	87.1%	8.0%	88.2%	6.3%
45 to 54 years	20,252	84.6%	6.7%	87.5%	5.6%
55 to 64 years	14,777	63.9%	6.8%	71.7%	5.5%
65 to 74 years	3,214	18.7%	3.5%	26.5%	4.5%
75 years & over	827	6.0%	4.1%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	77,492	62.6%	7.9%	70.5%	6.3%
Black or African American	321	57.3%	9.7%	67.6%	17.5%
American Indian & Alaska Native	1,655	59.4%	22.3%	60.1%	18.8%
Asian or Other Pac. Islanders	389	64.7%	4.6%	69.8%	8.5%
Some Other Race	451	71.3%	7.3%	77.6%	10.9%
Two or More Races	667	58.5%	16.2%	69.0%	14.4%
Hispanic or Latino	1,268	68.8%	16.3%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	5,169	69.1%	8.8%	77.8%	7.7%
Employment Characteristics by Disability					
With Any Disability	5,180	48.7%	12.3%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	65,540	79.9%	7.3%	84.2%	5.9%
Less than H.S. Diploma	3,649	64.9%	16.2%	66.9%	14.6%
H.S. Diploma or Equivalent	20,398	76.0%	8.4%	79.4%	8.0%
Some College or Assoc. Degree	28,387	83.2%	6.9%	85.6%	6.1%
Bachelor's Degree or Higher	13,095	84.4%	4.1%	89.1%	3.4%

Source: 2009-2013 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE, 2005-2015

Region 5 has consistently had among the highest unemployment rates in the state, typically hovering at least 1.5 to 2 percent above the state rate. According to DEED's [Local Area Unemployment Statistics](#), the region's unemployment rate rose as high as 10.1 percent in 2009, while the state rate climbed to 7.8 percent. Since then, the state and region's economies have recovered and unemployment rates are dropping back below prerecession levels, with Region 5 reporting 4.8 percent in June of 2015, though that was still almost 1 percent above the state rate (see Figure 5).

Figure 5. Unemployment Rates, 2005-2015



Source: DEED Local Area Unemployment Statistics (LAUS)

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the [Census Bureau](#), Region 5 is a net labor exporter, having more workers than available jobs. In sum, 45,828 workers both lived and worked in Region 5 in 2013, while another 13,909 workers drove into the region from surrounding counties for work, compared to 25,801 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Table 5. Region 5 Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	59,737	100.0%
Employed in the Selection Area but Living Outside	13,909	23.3%
Employed and Living in the Selection Area	45,828	76.7%
Living in the Selection Area	71,629	100.0%
Living in the Selection Area but Employed Outside	25,801	36.0%
Living and Employed in the Selection Area	45,828	64.0%

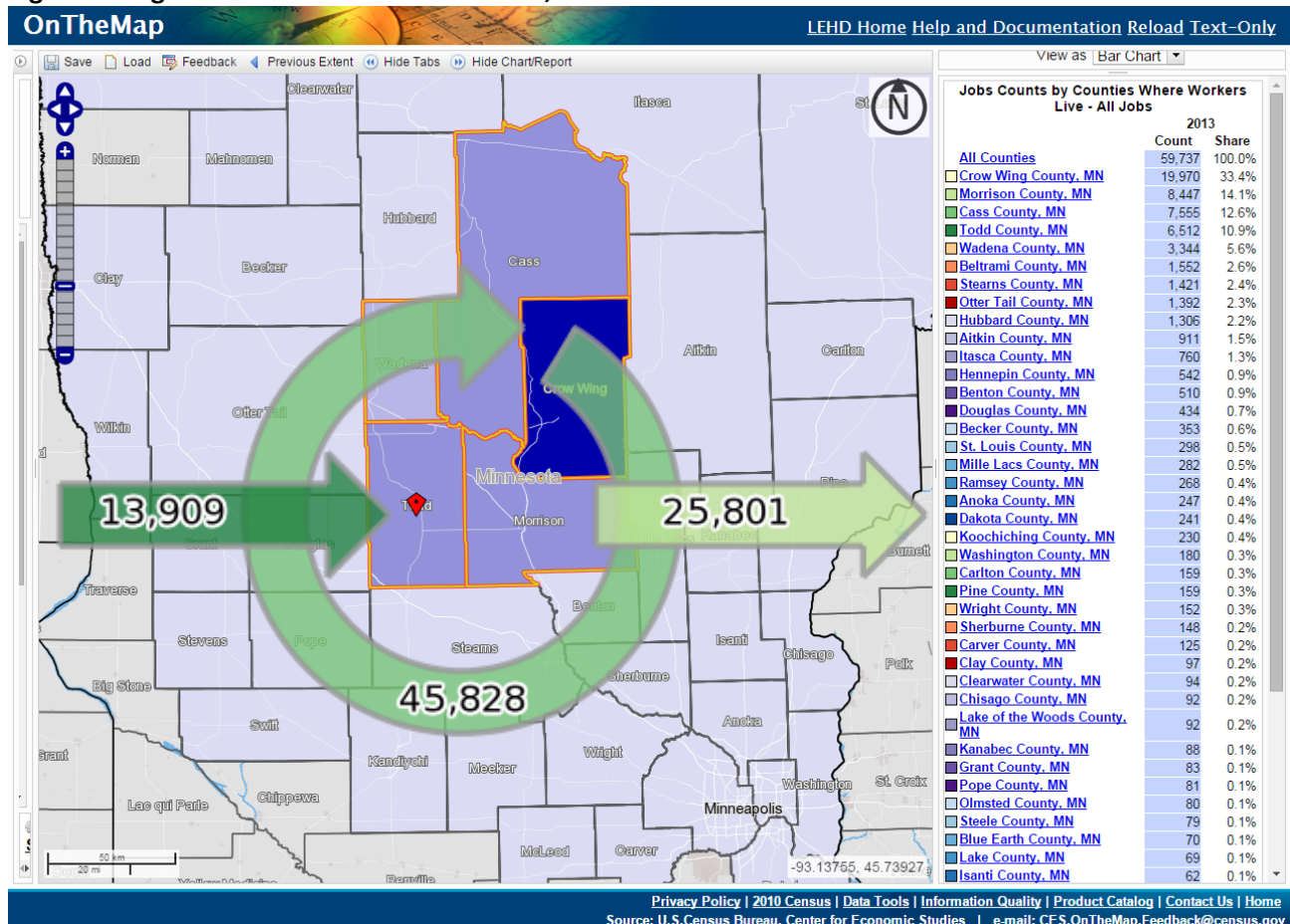
Source: [U.S. Census Bureau, OnTheMap](#)

Home to Brainerd and Baxter, Crow Wing County is the largest county and the largest employment center in the region and was the biggest draw for workers. The other counties in the region had smaller amounts of inflow and outflow. Employers in the region both lose and draw workers from nearby counties like Stearns, Otter Tail, Beltrami, Hubbard, Aitkin, and Mille Lacs, with the largest net outflow going into Stearns County. Though in relatively small numbers, workers from Region 5 also travel to metropolitan areas including the Twin Cities (see Table 6 and Figure 6).

Table 6. Region 5 Commuting Patterns	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Beltrami Co. MN	Stearns Co. MN
Stearns Co. MN	Hennepin Co. MN
Otter Tail Co. MN	Ramsey Co. MN
Hubbard Co. MN	Mille Lacs Co. MN
Aitkin Co. MN	Otter Tail Co. MN

Source: [U.S. Census Bureau, OnTheMap](#)

Figure 6. Region 5 Labor and Commute Shed, 2013



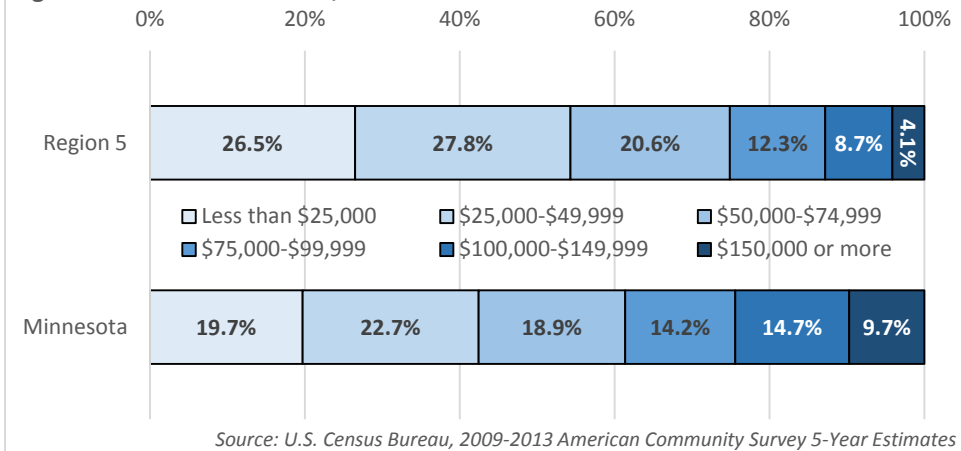
INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Region 5 than the state, where the median household income in 2013 was \$59,836. In the region, median household incomes ranged from \$36,928 in Wadena County, which was the lowest in the state, to \$47,649 in Morrison County, which was the 30th lowest,

meaning all five counties in the region were among the 30 lowest incomes in the state. Well over half (54.3%) of the households in the region had incomes below \$50,000 in 2013, compared to 42.4 percent statewide. Just 32.9 percent of households earned between \$50,000 and \$100,000 in the region. In contrast, only 12.8 percent of households in Region 5 earned over \$100,000 per year, compared to 24.4 percent of households statewide (see Figure 7).

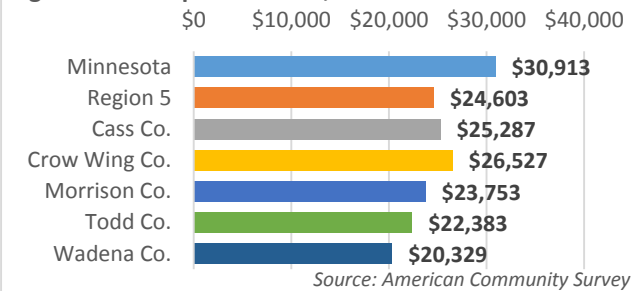
Figure 7. Household Incomes, 2013



PER CAPITA INCOMES

Per capita incomes were also lower in Region 5 than the state, ranging from \$20,329 in Wadena County to \$26,527 in Crow Wing County, compared to \$30,913 in Minnesota. At \$24,603, Region 5 had the second lowest per capita income of the 13 EDRs in the state (see Figure 8).

Figure 8. Per Capita Incomes, 2013



COST OF LIVING

According to DEED's [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$50,988 in 2015. The cost of living for a similar family in Region 5 was \$45,876 – which was the fourth highest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; but the cost of the region's housing, child care, and taxes were significantly lower than the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario listed above would need to earn \$14.70 per hour.

Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 5	\$45,876	\$14.70	\$228	\$754	\$400	\$720	\$1,157	\$206	\$358
Minnesota	\$50,988	\$16.34	\$443	\$772	\$405	\$907	\$1,039	\$235	\$448

Source: [DEED Cost of Living tool](#)

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Region 5 was \$14.37 in the first quarter of 2015, which was the lowest wage level of the 13 EDRs in the state. Region 5's median wage was about \$4.25 below the state's median hourly wage, equaling 77 percent of the statewide wage rate, and over \$6.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to nearly \$13,000 per year for a full-time worker. Region 5 had lower wages than surrounding regions like Region 2 at \$15.77, Region 3 at \$16.58, Region 4 at \$15.66, Region 7E at \$16.43, and Region 7W at \$16.80 (see Table 8).

Almost 17 percent of the jobs in Region 5 were office and administrative support occupations, which was more concentrated than in the state as a whole. Region 5 also had a higher share of workers in protective service; production; community and social service; construction and extraction; education, training, and library; healthcare support; building and grounds cleaning and maintenance; and farming, fishing and forestry occupations (see Table 9).

Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	\$16.39	36,130
EDR 2 - Headwaters	\$15.77	27,330
EDR 3 - Arrowhead	\$16.58	141,800
EDR 4 - West Central	\$15.66	83,540
EDR 5 - North Central	\$14.37	56,050
EDR 6E - Southwest Central	\$16.42	46,490
EDR 6W - Upper MN Valley	\$15.34	18,380
EDR 7E - East Central	\$16.43	44,580
EDR 7W - Central	\$16.80	172,200
EDR 8 - Southwest	\$14.79	53,380
EDR 9 - South Central	\$15.99	105,260
EDR 10 - Southeast	\$17.74	253,990
EDR 11 - 7-County Twin Cities	\$20.49	1,691,650
State of Minnesota	\$18.65	2,730,020

Source: [DEED Occupational Employment Statistics](#)

Table 9. Region 5 Occupational Employment Statistics, 1st Qtr. 2015					State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment
Total, All Occupations	\$14.37	56,050	100.0%	1.0	\$18.65	2,730,020	100.0%
Office & Administrative Support	\$14.56	9,370	16.7%	1.1	\$17.27	409,100	15.0%
Production	\$14.61	6,230	11.1%	1.4	\$16.61	217,830	8.0%
Sales & Related	\$10.37	5,450	9.7%	1.0	\$13.24	270,540	9.9%
Education, Training, & Library	\$22.04	4,510	8.0%	1.4	\$22.72	156,090	5.7%
Transportation & Material Moving	\$13.58	3,800	6.8%	1.1	\$16.18	167,130	6.1%
Healthcare Practitioners & Technical	\$26.57	3,660	6.5%	1.1	\$31.54	160,390	5.9%
Healthcare Support	\$12.35	2,550	4.5%	1.4	\$13.63	89,360	3.3%
Construction & Extraction	\$17.97	2,540	4.5%	1.4	\$24.88	91,240	3.3%
Management	\$35.29	2,490	4.4%	0.7	\$47.47	165,730	6.1%
Personal Care & Service	\$9.72	2,290	4.1%	0.9	\$11.11	120,000	4.4%
Building & Grounds Cleaning & Maint.	\$11.69	2,070	3.7%	1.2	\$12.03	81,560	3.0%
Food Preparation & Serving Related	\$9.08	2,030	3.6%	0.4	\$9.21	228,640	8.4%
Installation, Maintenance, & Repair	\$18.13	1,950	3.5%	1.0	\$21.52	94,310	3.5%
Business & Financial Operations	\$26.39	1,810	3.2%	0.6	\$30.37	159,970	5.9%
Protective Service	\$19.38	1,690	3.0%	1.9	\$19.43	43,660	1.6%
Community & Social Service	\$19.43	1,450	2.6%	1.4	\$20.51	49,210	1.8%
Architecture & Engineering	\$29.18	580	1.0%	0.6	\$34.76	50,980	1.9%
Computer & Mathematical	\$30.53	480	0.9%	0.3	\$37.96	91,560	3.4%
Life, Physical, & Social Science	\$25.55	420	0.7%	0.8	\$30.29	24,410	0.9%
Arts, Design, Entertainment & Media	\$17.46	400	0.7%	0.5	\$21.82	36,430	1.3%
Farming, Fishing, & Forestry	\$11.27	160	0.3%	2.2	\$14.41	3,570	0.1%
Legal	\$27.49	120	0.2%	0.3	\$38.48	18,330	0.7%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2015](#)

Not surprisingly, the lowest-paying jobs are in food preparation and serving, personal care and service, sales and related, building and grounds cleaning and maintenance, and healthcare support jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 5 and the state is also lower in these jobs. In contrast, the highest paying jobs are found in management, computer, architecture and engineering, legal, healthcare practitioners, business and financial operations, and life, physical, and social science occupations, which all need higher levels of education and experience. The pay gaps between the region and state are much bigger in these occupations.

JOB VACANCY SURVEY

Employers in Region 5 reported 2,918 job vacancies in the second quarter of 2015, the highest number ever recorded. Job vacancies in the region increased 10.5 percent from the previous year, and 190 percent from the recession low point in 2009. Overall, almost half of the openings were part-time, about one-third required postsecondary education, and one-fourth required 1 or more years of experience. The median hourly wage offer for all occupations was \$10.24, but ranged from \$9.00 for food prep, sales and related, healthcare support, and personal care and service jobs to \$21.33 for healthcare practitioners (see Table 10).

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	2,918	47%	35%	24%	27%	\$10.24
Food Preparation & Serving Related	575	61%	3%	8%	6%	\$8.98
Sales & Related	433	81%	16%	18%	1%	\$9.06
Healthcare Practitioners & Technical	334	28%	80%	35%	75%	\$21.33
Production	324	1%	32%	13%	0%	\$9.75
Healthcare Support	205	68%	33%	4%	42%	\$9.07
Office & Administrative Support	158	62%	20%	19%	7%	\$10.69
Education, Training, & Library	127	41%	96%	42%	61%	\$16.23
Building, Grounds Cleaning & Maint.	121	70%	9%	15%	17%	\$8.92
Management	110	0%	98%	100%	27%	\$17.76
Community & Social Service	95	11%	99%	82%	99%	\$16.99
Farming, Fishing, & Forestry	93	42%	20%	20%	20%	\$10.68
Transportation & Material Moving	90	62%	0%	31%	65%	\$13.09
Personal Care & Service	65	94%	2%	1%	20%	\$8.92
Installation, Maintenance, & Repair	44	2%	0%	15%	23%	\$12.19
Arts, Design, Entertainment & Media	34	72%	17%	33%	67%	\$12.39
Construction & Extraction	31	0%	22%	64%	25%	\$16.19
Computer & Mathematical	18	0%	82%	56%	45%	\$17.71
Protective Service	15	40%	23%	15%	82%	\$10.43
Business & Financial Operations	9	48%	62%	62%	0%	\$14.84

Source: [DEED Job Vacancy Survey, Qtr. 2 2015](#)

OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are 211 occupations showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. Many of the occupations in demand in the region require a high school diploma or less. These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, personal care aides and home health aides, janitors and cleaners, retail sales workers, nurses, mechanics and truck drivers, teachers, and healthcare practitioners are all occupations in demand based on the consistent need for these workers (see Table 11).

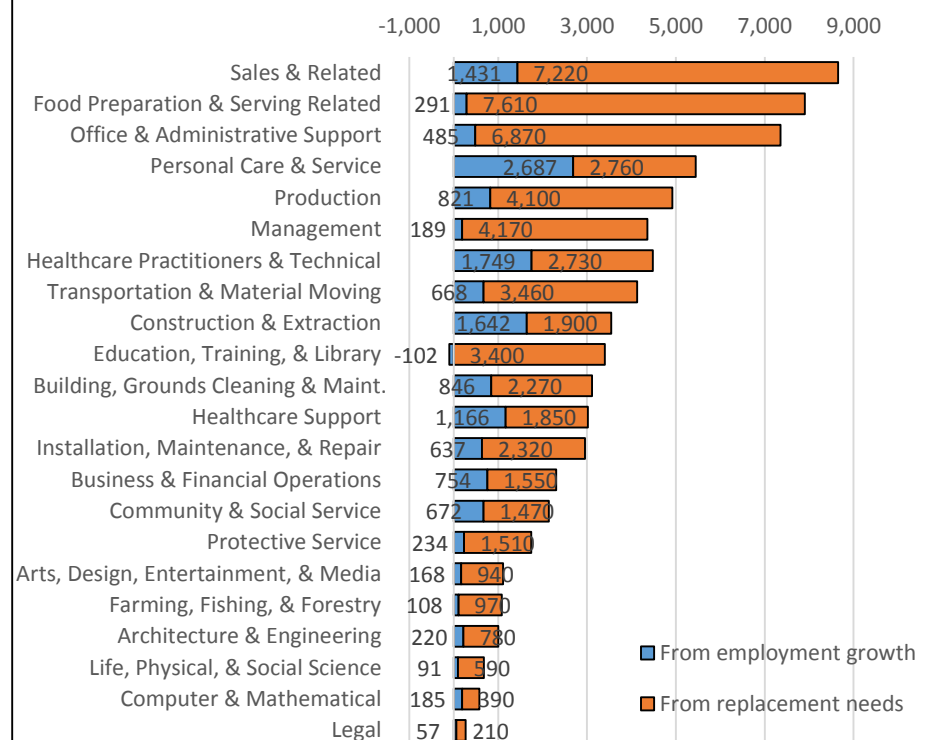
Table 11. Region 5 Occupations in Demand by Education Level, 2014			
Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Personal Care Aides (\$20,233)	Customer Service Representatives (\$36,469)	Nursing Assistants (\$25,761)	Loan Officers (\$70,534)
Retail Salespersons (\$20,135)	Social & Human Service Assistants (\$29,731)	Licensed Practical Nurses (\$38,674)	Secondary School Teachers (\$55,552)
Cashiers (\$19,490)	First-Line Supervisors of Retail Sales Workers (\$34,946)	Registered Nurses (\$68,538)	Elementary School Teachers (\$56,425)
Stock Clerks & Order Fillers (\$20,255)	Packaging & Filling Machine Operators & Tenders (\$28,986)	Heavy & Tractor-Trailer Truck Drivers (\$36,283)	Child, Family, & School Social Workers (\$55,926)
Combined Food Preparation & Serving Workers (\$18,130)	Bookkeeping, Accounting, & Auditing Clerks (\$33,668)	Hairdressers, Hairstylists, & Cosmetologists (\$23,114)	Mental Health Counselors (\$43,924)
Slaughterers & Meat Packers (\$27,909)	Machinists (\$36,449)	First-Line Supervisors of Production Workers (\$52,947)	Physicians & Surgeons, All Other (\$195,435)
Home Health Aides (\$23,244)	Light Truck or Delivery Services Drivers (\$29,159)	Emergency Medical Techs. & Paramedics (\$32,901)	Training & Development Specialists (\$39,573)
Meat, Poultry, & Fish Cutters & Trimmers (\$28,857)	Office Clerks, General (\$27,501)	Massage Therapists (\$48,525)	Middle School Teachers (\$52,239)
Janitors & Cleaners (\$26,114)	Automotive Service Techs. & Mechanics (\$34,059)	Medical Assistants (\$29,490)	Financial Managers (\$93,897)
Packers & Packagers, Hand (\$20,835)	Maintenance & Repair Workers, General (\$29,966)	Physical Therapist Assistants (\$44,121)	Family & General Practitioners (\$200,865)

Source: [DEED Occupations in Demand](#)

EMPLOYMENT PROJECTIONS

Region 5 is a part of the larger 26-county Northwest Minnesota Planning area, along with Region 1, Region 2, and Region 4. The Northwest planning area is projected to grow 5.9 percent from 2012 to 2022, a gain of 14,999 new jobs. In addition, the region is also expected to need 59,060 replacement openings to fill jobs left vacant by retirements and other career changers. In fact, the number of replacement openings is expected to dwarf the number of new jobs in every group except for personal care and service occupations, construction and extraction workers; and health care occupations. Education, training and library is the only occupational group that is not expected to add new jobs, though it will still have 3,400 openings (see Figure 9).

Figure 9. Northwest Minnesota Employment Projections, 2012-2022



Source: DEED 2012-2022 Employment Outlook

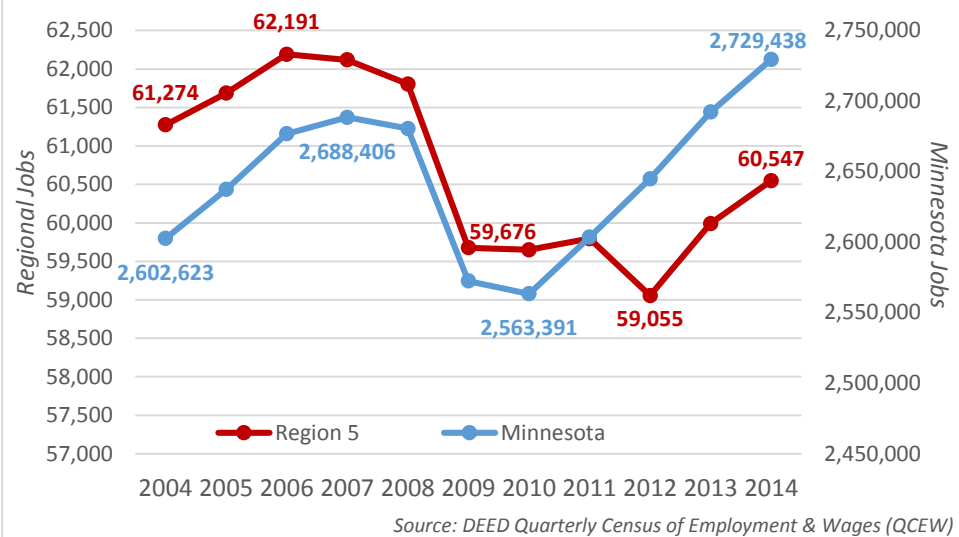
ECONOMY

INDUSTRY EMPLOYMENT

Region 5 has seen employment ups and downs over the past decade, but ended 2014 with 727 fewer jobs than it had in 2004. The region entered the recession earlier than the state, experiencing job declines from 2006 to 2007, then suffering severe declines from 2008 to 2009, and another drop from 2011 to 2012. Because of that, Region 5 has not kept pace with the state's

recovery. While Region 5 grew just 1.5 percent from 2010 to 2014, and is still -1,644 jobs below the peak in 2006; the state was gaining jobs at a 6.5 percent clip, and reached breakeven in 2013 (see Figure 10).

Figure 10. Industry Employment Change, 2004-2014



According to DEED's [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 5 was home to 4,840 business establishments providing 60,547 covered jobs through 2014, with a total payroll of just over \$2.0 billion. That was about 2.2 percent of total employment in the state of Minnesota, making it the seventh largest of the 13 EDRs in the state. Average annual wages were \$33,280 in the region, which was about \$18,300 lower than the state's average annual wage, and the lowest of the 13 EDRs.

Crow Wing County is the largest employment center in the region, with 28,237 jobs at 2,084 firms; accounting for almost half of the region's jobs. Morrison County was the next largest, with 10,567 jobs at 945 firms, followed by Cass County with 827 firms and 9,984 jobs, Todd County with 558 firms and 6,006 jobs, and Wadena County with 427 firms and 5,752 jobs. As shown above, the region recovered more slowly than the state over the past five years; with Crow Wing County seeing the biggest and fastest rise in jobs. In contrast, Morrison and Todd County saw job declines since 2010. Four of the 5 counties also added jobs in the past year, with Crow Wing County adding 538 jobs from 2013 to 2014 (see Table 12).

Table 12. Region 5 Industry Employment Statistics, 2014				Average Annual Wage	2010-2014		2013-2014	
Geography	Number of Firms	Number of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Region 5	4,840	60,547	\$2,015,663,175	\$33,280	+897	+1.5%	+556	+0.9%
Cass Co.	827	9,984	\$272,607,410	\$27,300	+268	+2.8%	+201	+2.1%
Crow Wing Co.	2,084	28,237	\$995,527,720	\$35,256	+1,096	+4.0%	+538	+1.9%
Morrison Co.	945	10,567	\$343,558,338	\$32,448	-541	-4.9%	-259	-2.4%
Todd Co.	558	6,006	\$200,302,988	\$33,332	-43	-0.7%	+30	+0.5%
Wadena Co.	427	5,752	\$203,666,719	\$35,360	+117	+2.1%	+46	+0.8%
State of Minnesota	164,409	2,729,438	\$140,857,248,755	\$51,584	+166,047	+6.5%	+37,321	+1.4%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

With 10,653 jobs at 421 firms, health care and social assistance is the largest employing industry in Region 5, accounting for 17.6 percent of total jobs in the region. Health care and social assistance employers added 90 jobs over the past five years. Due to the region's older population, the two largest sectors were hospitals and nursing and residential care facilities, which had 3,314 and 3,199 jobs, respectively, in 2014. Ambulatory health care services had 2,403 jobs and social assistance provided 1,737 jobs in 2014.

Retail Trade is the next largest industry in Region 5, with 8,194 jobs at 752 firms, accounting for 13.5 percent of total jobs in the region, despite losing 103 jobs from 2010 to 2014. The related accommodation and food services industry had 7,255 jobs at 494 firms; after gaining 182 jobs since 2010. Though both industries have relatively low wages, over 25 percent of the region's jobs are in retail trade and accommodation and food services.

Manufacturing has 10 percent of total employment in the region, with 6,041 jobs at 270 firms. Region 5 also has 5,748 jobs at 103 educational services institutions. Most of the jobs are at elementary and secondary schools, but the region also has over 800 jobs at colleges and other schools and instruction.

Other important industries in Region 5 include public administration, construction, finance and insurance, other services, wholesale trade, professional and technical services, administrative support and waste management services, and transportation and warehousing. Ten of the 20 main industries in the region added jobs since 2010, with the largest gains in wholesale trade, construction, accommodation and food services, administrative support—which includes temporary staffing agencies, accommodation and food services, and other services. In contrast, the region saw job losses in retail trade, transportation and warehousing, and arts, entertainment, and recreation (see Table 13).

NAICS Industry Title	2014 Annual Data				Avg. Annual Wage	2010-2014		2013-2014	
	Number of Firms	Number of Jobs	Percent of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	4,840	60,547	100.0%	\$2,015,663,175	\$33,280	+897	+1.5%	+556	+0.9%
Health Care & Social Assistance	421	10,653	17.6%	\$409,507,445	\$38,428	+90	+0.9%	-17	-0.2%
Retail Trade	752	8,194	13.5%	\$198,993,861	\$24,284	-103	-1.2%	-32	-0.4%
Accommodation & Food Services	494	7,255	12.0%	\$103,649,188	\$14,248	+182	+2.6%	+108	+1.5%
Manufacturing	270	6,041	10.0%	\$250,886,631	\$41,496	+11	+0.2%	-14	-0.2%
Educational Services	103	5,748	9.5%	\$200,615,577	\$34,892	+111	+2.0%	+72	+1.3%
Public Administration	192	5,027	8.3%	\$205,482,115	\$40,872	+66	+1.3%	+131	+2.7%
Construction	643	3,068	5.1%	\$138,959,944	\$44,928	+261	+9.3%	+169	+5.8%
Finance & Insurance	227	2,007	3.3%	\$96,885,477	\$48,256	-1	0.0%	+56	+2.9%
Other Services	448	1,888	3.1%	\$35,531,290	\$18,772	+158	+9.1%	+82	+4.5%
Wholesale Trade	134	1,873	3.1%	\$77,647,548	\$41,444	+280	+17.6%	+41	+2.2%
Professional & Technical Services	251	1,688	2.8%	\$82,891,257	\$49,088	+2	+0.1%	-12	-0.7%
Admin. Support & Waste Mgmt.	203	1,608	2.7%	\$40,901,288	\$25,272	+192	+13.6%	0	0.0%
Transportation & Warehousing	223	1,549	2.6%	\$51,083,948	\$32,968	-51	-3.2%	+43	+2.9%
Arts, Entertainment & Recreation	114	1,241	2.0%	\$23,625,951	\$19,344	-157	-11.2%	-40	-3.1%
Information	61	917	1.5%	\$37,565,413	\$40,924	N/A	N/A	+32	+3.6%
Agriculture, Forestry, Fish & Hunt	105	766	1.3%	\$21,047,193	\$27,508	N/A	N/A	+4	+0.5%
Real Estate & Rental & Leasing	155	643	1.1%	\$15,216,767	\$23,660	-33	-4.9%	-3	-0.5%
Utilities	16	234	0.4%	\$19,091,990	\$81,588	-18	-7.1%	-2	-0.8%
Management of Companies	17	104	0.2%	\$4,639,132	\$44,772	-21	-16.8%	-60	-36.6%
Mining	11	37	0.1%	\$1,441,160	\$36,972	N/A	N/A	N/A	N/A

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

DISTINGUISHING INDUSTRIES

Region 5 stands out in the state for its higher share of employment in retail trade and accommodation, but also has high concentrations of employment in government, education, and forestry. Region 5 has 2.2 percent of total state employment, but has over 22 percent of the state's jobs in national security and international affairs, about 9 percent of forestry and logging, and over 5 percent of the state's jobs in wood product manufacturing. Region 5 also has high location quotients in executive, legislative, and other general government support and administration of environmental quality programs (see Table 14).

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	0	4,840	60,547	\$2,015,663,175	\$33,280	1.0
National Security & International Affairs	928	5	509	\$26,983,529	\$52,988	9.9
Forestry & Logging	113	20	85	\$2,653,436	\$31,148	4.1
Accommodation	721	143	2,873	\$50,574,793	\$17,888	4.0
Wood Product Manufacturing	321	31	569	\$20,728,542	\$36,400	2.4
Executive, Legislative, & General Gov't Support	921	99	3,380	\$117,836,605	\$34,840	2.3
Administration of Environmental Quality Programs	924	32	396	\$21,671,393	\$54,756	2.2
Gasoline Stations	447	100	1,073	\$16,904,395	\$15,756	2.0
Animal Production & Aquaculture	112	43	470	\$13,586,949	\$28,808	2.0
Other Schools & Instruction	6116	21	439	\$10,548,136	\$23,816	2.0
Advertising & Related Services	5418	11	495	\$17,591,568	\$35,516	1.9

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

INDUSTRY PROJECTIONS

As noted above, Region 5 is part of the 26-county Northwest Minnesota Planning Region, which is projected to grow 5.9 percent from 2012 to 2022, a gain of 14,999 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for nearly 40 percent of total projected growth in the region by 2022. The region is also expected to see significant employment growth in retail trade, construction, wholesale trade, accommodation and food services, and agriculture, forestry, fishing and hunting. In contrast, the region is expected to see declines in finance and insurance, information, utilities, and mining (see Table 15).

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	254,122	269,121	+5.9%	+14,999
Health Care & Social Assistance	32,742	38,734	+18.3%	+5,992
Retail Trade	27,570	29,508	+7.0%	+1,938
Manufacturing	27,195	28,176	+3.6%	+981
Accommodation & Food Services	19,495	19,925	+2.2%	+430
Wholesale Trade	11,144	12,001	+7.7%	+857
Construction	9,165	10,585	+15.5%	+1,420
Other Services	10,198	10,337	+1.4%	+139
Agriculture, Forestry, Fish & Hunt	5,745	6,161	+7.2%	+416
Finance & Insurance	5,747	5,689	-1.0%	-58
Transportation & Warehousing	5,302	5,443	+2.7%	+141
Arts, Entertainment & Recreation	4,939	5,173	+4.7%	+234
Professional & Technical Services	4,585	4,953	+8.0%	+368
Admin. Support & Waste Mgmt.	4,273	4,647	+8.8%	+374
Information	2,902	2,539	-12.5%	-363
Educational Services	2,446	2,490	+1.8%	+44
Real Estate & Rental & Leasing	1,376	1,539	+11.8%	+163
Utilities	1,184	1,068	-9.8%	-116
Management of Companies	679	767	+13.0%	+88
Mining	261	226	-13.4%	-35

Source: [DEED 2012-2022 Employment Outlook](#)

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 5 are small businesses, with 58.1 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 31.9 percent had between 5 and 19 employees; and 8.5 percent had between 20 and 99 employees. Only 1.4 percent had 100 to 499 employees, compared to 2.4 percent of businesses in the state. Just 4 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Obviously then, small businesses are vital to the region's economy (see Table 16).

Table 16. Employers by Size Class, 2013			
	Region 5		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	2,735	58.1%	54.2%
5-9	944	20.1%	17.7%
10-19	554	11.8%	13.4%
20-49	320	6.8%	8.9%
50-99	82	1.7%	3.2%
100-249	50	1.1%	1.9%
250-499	15	0.3%	0.5%
500-999	2	0.0%	0.2%
1,000 or more	2	0.0%	0.1%
Total Firms	4,704	100.0%	100.0%

Source: [U.S. Census, County Business Patterns](#)

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Region 5 was home to 12,585 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Much like covered employment, Region 5 saw a slow but steady increase in nonemployers over the past decade, responding to economic changes. In sum, the region added 306 new nonemployers from 2003 to 2013, a 2.5 percent increase. The largest amount of nonemployers was in Crow Wing County, while Todd County saw the fastest increase in self-employment. These nonemployers generated sales receipts of \$552 million in 2013 (see Table 17).

Table 17. Nonemployer Statistics, 2013				
	2013		2003-2013	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Region 5	12,585	\$552,059	+306	+2.5%
Cass Co.	2,581	\$114,787	-67	-2.5%
Crow Wing Co.	4,977	\$223,120	+53	+1.1%
Morrison Co.	2,366	\$104,523	+70	+3.0%
Todd Co.	1,649	\$70,156	+259	+18.6%
Wadena Co.	1,012	\$39,473	-9	-0.9%
State of Minnesota	388,900	\$17,268,230	+40,173	+11.5%

Source: [U.S. Census, Nonemployer Statistics program](#)

CENSUS OF AGRICULTURE

Unlike other parts of Greater Minnesota, agriculture is not a key industry in Region 5, but there are 5,610 farms producing just over \$791 million in the market value of products sold in 2012 according to the U.S. Department of Agriculture. With the exception of Morrison County, which ranked 13th in the state for the market value of products sold, and Todd County, which just cracked the top half of the by ranking 43rd of 87 counties, the rest of the counties in the region rank near the bottom in Minnesota in regards to the market value of products sold. However, the region experienced a 62 percent increase in the market value of products sold since 2007 (see Table 18).

Table 18. Census of Agriculture, 2012			
	Number of Farms	Market Value of Products Sold	State Rank
Region 5	5,610	\$791,418,000	
Cass Co.	546	\$38,153,000	74
Crow Wing Co.	533	\$24,834,000	78
Morrison Co.	1,957	\$429,935,000	13
Todd Co.	1,931	\$241,011,000	43
Wadena Co.	643	\$57,485,000	69
State of Minnesota	74,542	\$21,280,184,000	

Source: [2012 Census of Agriculture](#)